

REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2008

1. Your Directors hereby submit their Report and Accounts for the financial year ended 31st March, 2008.

2. COMPANY PERFORMANCE

The overall performance of the Company has been good despite increase in volatility in the interest rates.

The financial results of the Company, summarised, are as under:

	Rs.
a. Profit Before Tax	86,70,90,760
Less: Provision for Income Tax (including Fringe Benefit Tax and after deducting MAT credit entitlement)	<u>99,95,368</u>
b. Profit After Tax	85,70,95,392
c. Add: Profit brought forward from previous years	70,95,49,260
Profit brought forward from transferor companies on amalgamation	<u>2,21,27,553</u>
d. Surplus available for Appropriation	158,87,72,205
Less: Dividend paid	75,00,00,000
Income Tax on Dividend	12,74,62,500
Transferred to General Reserve	5,99,96,677
Transferred to Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934.	<u>17,14,19,078</u>
e. Balance carried forward	<u>47,98,93,950</u>

Your Directors declared on 26th September, 2007 and 11th December, 2007 Interim Dividend of Rs.50,00,00,000/- (Rupees Fifty Crores only) and Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), respectively, on 67,28,76,577 Equity Shares of Rs.10/- each (in proportion to the amount paid-up on each Equity Share), out of the profits of the Company to the Members whose names appeared on the Register of Members on 26th September, 2007 and 11th December, 2007, respectively, and which is now recommended by your Directors as the Final Dividend for the financial year ended 31st March, 2008.

During the year the Company acquired the entire equity share capital of Technico Pty Ltd. (Technico), Australia. As a result of such acquisition, Technico and its wholly owned subsidiaries viz. Technico ISC Pty Ltd. -Australia, Technico Asia Holdings Pty Ltd. - Australia, Technico Group America Inc. - U.S.A., Technico Technologies Inc. - Canada, Technico Horticultural (Kunming) Co. Ltd. - China (100% subsidiary of Technico Asia Holdings Pty Ltd., Australia) and Chambal Agritech Ltd. - India became wholly owned subsidiaries of the Company with effect from 17th August, 2007. Technico Group America Inc. - U.S.A. has since been dissolved with effect from 15th March, 2008.

During the year the Company's associate companies viz. Newdeal Finance And Investment Ltd. (Newdeal), Megatop Financial Services And Leasing Ltd. (Megatop) and Peninsular Investments Ltd. (Peninsular), amalgamated with the Company. The Scheme of Amalgamation was sanctioned by the High Courts of Kolkata, Bangalore, Chennai and Hyderabad and upon completion of requisite formalities, the Scheme became operative from 1st April, 2007. The amalgamation will facilitate carrying on the operations of the Company more efficiently and economically.

Divya Management Ltd. (Divya) and Antrang Finance Ltd. (Antrang), two unlisted companies registered with Reserve Bank of India as Non-Banking Financial Companies (non-deposit taking) became Associate Investment Companies during the year. The Company acquired 41,82,915 equity shares of Divya and 43,24,634 equity shares of Antrang which translates to 33.33% of the paid-up equity share capital of both these companies as at 31st March, 2008.

3. DIRECTORS

In accordance with the provisions of Article 143 of the Articles of

Association of the Company, Messrs. Saradindu Dutta and Prodipto Banerjee will retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offer themselves for re-election. Your Board of Directors has recommended their re-election.

4. DIRECTORS' RESPONSIBILITY STATEMENT

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm having :-

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards and there are no material departures;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit of the Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- prepared the Annual Accounts on a going concern basis.

5. INVESTMENT IN VST INDUSTRIES LIMITED

As stated in the Report of the Directors of the previous years, a petition was filed by an individual in the High Court at Calcutta, seeking an injunction against the Company's Counter Offer to the shareholders of VST Industries Limited, made in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997, as a competitive bid, pursuant to a Public Offer made by an Acquirer, which closed on 13th June, 2001.

The High Court at Calcutta, while refusing to grant such an injunction, instructed that the acquisition of shares pursuant to the Counter Offer by the Company and the other Acquirer would be subject to the final Order of the High Court, which is still awaited. Similar petitions filed by an individual and two shareholders, in the High Court of Delhi at New Delhi and High Court of Judicature of Andhra Pradesh at Hyderabad, had earlier been dismissed by the respective High Courts.

6. NON-BANKING FINANCIAL (NON-DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2007 ('NBFC REGULATIONS')

In terms of paragraph 13 of the NBFC Regulations, the particulars as applicable to the Company, are appended to the Balance Sheet.

7. SUBSIDIARIES

During the year Wimco Boards Ltd. and Wimco Seedlings Ltd., subsidiaries of Wimco Ltd. (Wimco), amalgamated with Wimco. Upon such amalgamation 4,22,30,000 equity shares of Re 1/- each of Wimco Ltd. credited as fully paid-up has been issued in exchange of 41,00,000 0.05% Redeemable Cumulative Preference Shares of Rs.100/- each held by the Company in Wimco Boards Ltd. The shareholding of the Company in Wimco stood at 96.82% as at 31st March, 2008. During the year 52,00,000 0.05% Redeemable Cumulative Preference Shares of Rs.100/- each held by the Company were redeemed by Wimco and the Company invested in 60,00,000 5% Cumulative Redeemable Preference Shares of Rs.100/- each of Wimco.

Particulars as required under Section 212 of the Companies Act, 1956, in respect of the Company's subsidiaries namely, Greenacre Holdings Ltd., Wimco Ltd., Pavan Poplar Ltd., Prag Agro Farm Ltd., Technico Pty Ltd. - Australia, Technico ISC Pty Ltd. - Australia, Technico Asia Holdings Pty Ltd. - Australia, Technico Technologies Inc. - Canada, Technico Horticultural (Kunming) Co. Ltd. - China and Chambal Agritech Ltd. - India have been attached to the accounts of the Company.

8. PARTICULARS OF EMPLOYEES

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 are provided in the Annexure to this Report.

required on conservation of energy and technology absorption.

During the year under review, there has been no foreign exchange earnings. The outgo on account of foreign exchange was Rs. 11,76,72,079/-(previous year Rs. 3,95,250/-).

9. AUDITORS

The Auditors, Messrs. S.B. Billimoria & Co., Chartered Accountants, retire at the ensuing Annual General Meeting of the Company, and being eligible, offer themselves for re-appointment.

15th May, 2008

On behalf of the Board

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of business of the Company, no comment is

Virginia House
37, J. L. Nehru Road
Kolkata 700 071

R. Tandon *Director*
S. Dutta *Director*

AUDITORS' REPORT TO THE MEMBERS OF RUSSELL CREDIT LIMITED

1. We have audited the attached balance sheet of **Russell Credit Limited** as at 31st March, 2008 the profit and loss account and the cash flow statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the company, so far as it appears from our examination of those books;

- (iii) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2008;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.
5. On the basis of written explanations received from the directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Kolkata
15th May, 2008

For S. B. Billimoria & Co.
Chartered Accountants
K. Rajasekhar
Partner
Membership No.: 23341

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF RUSSELL CREDIT LIMITED

[Referred to in paragraph 3 thereof]

The nature of the company's business / activities during the year ended 31st March, 2008 was such that paragraphs 4(ii), (vi), (viii), (xi), (xii), (xiii), (xv), (xvi), (xviii) and (xix) of the Companies (Auditor's Report) Order 2003 are not applicable.

- (i) In respect of its fixed assets:
 - (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets were physically verified during the year by the management. Having regard to the size of the company and the nature of its assets, the frequency of verification is reasonable. No material discrepancies between the book records and the physical inventory were noticed.
 - (c) None of the fixed assets was disposed off during the year.
- (ii) (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to parties listed in Register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (b), (c) and (d) of the Order are not applicable.
 - (b) The company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not taken any loans, secured or unsecured, from parties listed in the Register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (f) and (g) of the Order, are not applicable.
- (iii) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of fixed assets. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control system.
- (iv) (a) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956.
 - (b) In our opinion and according to the information and explanations given to us, as there are no contracts or arrangements that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956, paragraph (v) (b) of the Order is not applicable.
- (v) In our opinion the company has an internal audit system commensurate with the size and nature of its business.
- (vi) In respect of statutory dues :
 - (a) In our opinion and according to the information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues, including income tax, sales tax, custom duty, cess and any other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, custom duty and cess were in arrears as at 31st March, 2008 for a period of more than six months from the date they became payable.
- (c) As at 31st March, 2008, according to the records of the company and the information and the explanations given to us, the following are the particulars of dues on account of income tax, sales tax, custom duty and cess that have not been deposited on account of any dispute:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where pending
Tamil Nadu General Sales Tax Act & Central Sales Tax Act	Sales Tax	3,96,900	2003-04	Appellate Assistant Commissioner
Tamil Nadu General Sales Tax Act & Central Sales Tax Act	Sales Tax	19,24,395	2004-05	Commercial Tax Officer
Tamil Nadu General Sales Tax Act & Central Sales Tax Act	Sales Tax	24,24,648	2005-06	Commercial Tax Officer
Central Sales Tax Act	Sales Tax	10,53,273	2005-06	Directorate of Commercial Taxes

Of the above, Rs. 47,45,943 has been stayed for recovery by the relevant authorities.

- (vii) The company does not have accumulated losses as at 31st March, 2008, and has not incurred cash losses during the financial year covered by our audit or the immediately preceding financial year.
- (viii) Based on our examination of the records and evaluation of the related internal controls, the company has maintained proper records of transactions and contracts in respect of its dealing in shares and other investments and timely entries have been made therein. The aforesaid securities have been held by the company in its own name, except to the extent of the exemption granted under Section 49 of the Companies Act, 1956.
- (ix) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on short term basis which have been used for long term investment.
- (x) The company has not raised any money by public issue during the year.
- (xi) According to the information and explanations given to us, during the year, no fraud on or by the company was noticed or reported.

For S. B. Billimoria & Co.
Chartered Accountants

K. Rajasekhar
Partner

Membership No.: 23341

Kolkata
15th May, 2008

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	31st March, 2008		31st March, 2007	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Share Capital	1	6,46,47,87,370		6,46,47,87,370	
b) Reserves and Surplus	2	97,35,27,459	7,43,83,14,829	1,00,04,02,020	7,46,51,89,390
2. Deferred Tax - Net	14(12)		17,18,708		23,91,920
Total			<u>7,44,00,33,537</u>		<u>7,46,75,81,310</u>
II. APPLICATION OF FUNDS					
1. Fixed Assets	3				
a) Gross Block		10,61,57,004		5,67,55,197	
b) Less: Depreciation		4,65,61,600		2,90,95,782	
c) Net Block		5,95,95,404		2,76,59,415	
d) Capital Work-in-Progress		6,87,51,099	12,83,46,503	—	2,76,59,415
2. Investments	4		6,35,24,68,026		2,72,86,65,371
3. Current Assets, Loans & Advances	5				
a) Current Assets		78,35,36,993		4,68,98,90,984	
b) Loans and Advances		45,09,34,124		40,92,43,207	
		1,23,44,71,117		5,09,91,34,191	
4. Less : Current Liabilities and Provisions	6	27,52,52,109		38,78,77,667	
Net Current Assets / (Liabilities)			<u>95,92,19,008</u>		<u>4,71,12,56,524</u>
Total			<u>7,44,00,33,537</u>		<u>7,46,75,81,310</u>
Notes to the Accounts	14				
Significant Accounting Policies	15				

The Schedules referred to above form an integral part of the Balance Sheet. As per our Report of even date attached.

For S. B. Billimoria & Co.
Chartered Accountants

K. Rajasekhar
Partner
Kolkata, 15th May, 2008

On behalf of the Board

R. Tandon Director
S. Dutta Director
S. Jain Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	For the year ended	
		31st March, 2008	31st March, 2007
		(Rs.)	(Rs.)
I. INCOME			
Interest on Loans		1,76,438	12,26,82,629
Dividend		24,98,29,729	18,36,23,355
Brokerage		2,92,56,546	3,89,57,895
Profit on Sale of Stock-in-Trade (Net)	7	36,35,833	43,31,025
Profit on Sale of Long Term Investments		57,09,30,297	—
Lease and Other Rentals		94,18,092	76,39,800
Other Income	8	3,21,89,035	29,90,273
		<u>89,54,35,970</u>	<u>36,02,24,977</u>
II. EXPENDITURE			
Payments to and Provisions for Employees	9	1,00,39,121	23,29,988
Financial Charges and Operating Expenses	10	1,33,63,746	2,44,561
Establishment and Other Expenses	11	19,75,687	10,57,749
Depreciation	3	29,66,656	23,75,027
		<u>283,45,210</u>	<u>60,07,325</u>
III. PROFIT			
Profit before Taxation		86,70,90,760	35,42,17,652
Provision for Taxation	12	99,95,368	6,02,69,160
Profit after Taxation		85,70,95,392	29,39,48,492
Profit brought forward		70,95,49,260	47,43,90,466
Profit brought forward from transferor companies	14(1)(iii)	2,21,27,553	—
Available for appropriations		<u>1,58,87,72,205</u>	<u>76,83,38,958</u>
IV. APPROPRIATIONS			
Dividend Paid		75,00,00,000	—
Income Tax on Dividend		12,74,62,500	—
Transfer to General Reserve		5,99,96,677	—
Special Reserve u/s 45-IC of the RBI Act, 1934 (Refer to Note 13 of Schedule 14)		17,14,19,078	5,87,89,698
Profit carried forward		47,98,93,950	70,95,49,260
		<u>1,58,87,72,205</u>	<u>76,83,38,958</u>
Earnings Per Share (Face Value Rs. 10.00 each) (Basic & Diluted)	14(11)	1.33	0.45

Notes to the Accounts 14
Significant Accounting Policies 15
The Schedules referred to above form an integral part of the Profit and Loss Account. As per our Report of even date attached.

For S. B. Billimoria & Co.
Chartered Accountants

K. Rajasekhar
Partner
Kolkata, 15th May, 2008

On behalf of the Board

R. Tandon Director
S. Dutta Director
S. Jain Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
A. NET PROFIT BEFORE TAX	86,70,90,760	35,42,17,652
ADJUSTMENTS FOR:		
Depreciation	29,66,656	23,75,027
Interest Income on Income Tax (Net)	(1,60,67,330)	—
Unrealised Exchange Gain	(14,62,500)	—
Profit on Sale of Investments	<u>(57,09,30,297)</u>	<u>—</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	28,15,97,289	35,65,92,679
ADJUSTMENTS FOR:		
Trade and Other Receivables	32,26,231	28,31,982
Stock-in-Trade	3,90,47,54,333	(77,59,79,690)
Trade Payables	<u>(2,12,26,354)</u>	<u>80,564</u>
CASH GENERATED FROM OPERATIONS	4,16,83,51,499	(41,64,74,465)
Income Tax (Including Fringe Benefit Tax)	<u>1,51,89,194</u>	<u>(5,99,38,043)</u>
NET CASH FROM OPERATING ACTIVITIES	4,18,35,40,693	(47,64,12,508)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(10,36,53,743)	(45,171)
Purchase of Long Term Investments	(2,11,37,39,897)	(2,37,57,771)
Sale of Long Term Investments	<u>1,05,44,72,800</u>	<u>—</u>
NET CASH USED IN INVESTING ACTIVITIES	(1,16,29,20,841)	(2,38,02,942)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase / (Decrease) in Short Term Loans	(1,98,03,96,277)	—
Intercompany Loans Received	1,26,31,00,000	19,45,00,000
Intercompany Loans Repaid	(1,26,31,00,000)	(19,45,00,000)
Intercompany Loans given to Subsidiaries	(13,83,48,750)	—
Intercompany Loans given to Associates	(28,00,000)	(2,08,17,50,000)
Intercompany Loans Repaid by Associates	28,00,000	2,08,17,50,000
Secured Loans given to Others	(2,34,32,000)	—
Dividends Paid	(75,00,00,000)	—
Income Tax on Dividend Paid	<u>(12,74,62,500)</u>	<u>—</u>
NET CASH FLOW USED IN FINANCING ACTIVITIES	(3,01,96,39,527)	—
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	9,80,325	(50,02,15,450)
OPENING CASH AND CASH EQUIVALENTS	29,70,549	50,31,85,999
OPENING CASH AND CASH EQUIVALENTS (transferred from transferor companies)	2,47,469	—
CLOSING CASH AND CASH EQUIVALENTS	41,98,343	29,70,549

As per our Report of even date attached.

For S. B. Billimoria & Co.
Chartered AccountantsK. Rajasekhar
Partner

Kolkata, 15th May, 2008

On behalf of the Board

R. Tandon Director
S. Dutta Director
S. Jain Secretary

SCHEDULES TO THE ACCOUNTS

1. SHARE CAPITAL

	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Authorised:		
70,00,00,000 Equity Shares of Rs. 10/- each	<u>7,00,00,00,000</u>	<u>7,00,00,00,000</u>
Issued, Subscribed and Paid up:		
59,74,54,177 Equity Shares of Rs. 10/- each, fully paid up (of the above 59,74,04,170 Equity Shares allotted for consideration other than cash pursuant to a Scheme of Amalgamation)	5,97,45,41,770	5,97,45,41,770
7,54,22,400 Equity Shares of Rs. 10/- each, Rs. 6.50 per share paid up (Equity Shares allotted for consideration other than cash pursuant to a Scheme of Amalgamation)	<u>49,02,45,600</u>	<u>49,02,45,600</u>
	<u>6,46,47,87,370</u>	<u>6,46,47,87,370</u>

(All the shares are held by the Holding Company, ITC Limited)

2. RESERVES AND SURPLUS

	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
Special Reserve u/s 45-IC of the RBI Act, 1934		
At the Commencement of the year	26,20,85,315	20,32,95,617
Add: Transferred from transferor companies [Refer Note 14(1)(iii)]	1,75,25,370	—
Add: Transferred from Profit and Loss Account	<u>17,14,19,078</u>	<u>5,87,89,698</u>
	45,10,29,763	26,20,85,315
Capital Reserve	2,87,67,445	2,87,67,445
General Reserve		
At the commencement of the year	—	—
Add: Transferred from Profit and Loss Account	5,99,96,677	—
Add: Transferred from Transferor Companies [Refer Note 14(1)(iii)]	62,96,166	—
Less: Amounts adjusted pursuant to the scheme of amalgamation [Refer Note 14(2)]	<u>(5,24,56,542)</u>	<u>1,38,36,301</u>
	1,38,36,301	—
Profit and Loss Account	<u>47,98,93,950</u>	<u>70,95,49,260</u>
	<u>97,35,27,459</u>	<u>1,00,04,02,020</u>

SCHEDULES TO THE ACCOUNTS (Contd.)

3. FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BOOK VALUE
	As at commencement of the year (Rs.)	Assets taken over on amalgamation (Rs.)	Additions (Rs.)	As at the end of the year (Rs.)	As at commencement of the year (Rs.)	On assets taken over on amalgamation (Rs.)	For the year (Rs.)	Up to 31st March, 2008 (Rs.)	As at 31st March, 2008 (Rs.)
Plant & Machinery*	5,67,55,197	1,44,99,162	3,49,02,645	10,61,57,004	2,90,95,782	1,44,99,162	29,66,656	4,65,61,600	5,95,95,404
TOTAL	5,67,55,197	1,44,99,162	3,49,02,645	10,61,57,004	2,90,95,782	1,44,99,162	29,66,656	4,65,61,600	5,95,95,404
Previous Year	5,67,10,026	—	45,171	5,67,55,197	2,67,20,755	—	23,75,027	2,90,95,782	2,76,59,415

*Includes assets given on operating leases, which are not non-cancellable and are usually renewable by mutual consent on mutually agreeable terms. The Gross Value of such assets is Rs. 6,95,03,147/- (2007-Rs. 3,46,00,503/-) and Accumulated Depreciation is Rs. 99,07,744/- (2007 - Rs. 69,41,088/-). Depreciation for the year charged to Profit and Loss Account is Rs. 29,66,656/- (2007 - Rs. 23,75,027/-). The aggregate lease rental of Rs. 56,98,092/- (2007 - Rs. 46,39,800/-) is included in Lease and Other Rentals in the Profit and Loss Account.

4. INVESTMENTS

LONG TERM	As at 31st March, 2008 Number	Value (Rs.)	As at 31st March, 2007 Number	Value (Rs.)
A. UNQUOTED				
SUBSIDIARY COMPANIES				
Equity Shares of Rs. 10/- each, of Greenacre Holdings Limited, fully paid up	3,30,60,166	33,10,33,674	3,30,60,166	33,10,33,674
Equity Shares of Re. 1/- each, of Wimco Limited, fully paid up	9,12,38,170	55,02,65,126	4,90,08,170	52,52,65,126
Ordinary Shares of Technico Pty Limited, without par value	2,16,25,455	103,63,89,332	—	—
0.05% Redeemable Cumulative Preference Shares of Rs. 100/- each of Wimco Limited, fully paid up	—	—	52,00,000	8,75,00,000
5% Redeemable Cumulative Preference Shares of Rs. 100/- each of Wimco Limited, fully paid up	60,00,000	60,00,00,000	—	—
0.05% Redeemable Cumulative Preference Shares of Rs. 100/- each of Wimco Boards Limited, fully paid up	—	—	41,00,000	2,50,00,000
TRADE INVESTMENTS				
Equity Shares of Rs. 10/- each, of Newdeal Finance And Investment Limited, fully paid up	—	—	28,81,200	2,88,13,440
Equity Shares of Rs. 10/- each, of Megatop Financial Services And Leasing Limited, fully paid up	—	—	31,16,400	3,11,65,440
Equity Shares of Rs. 10/- each, of Peninsular Investments Limited, fully paid up	—	—	40,64,875	4,06,51,738
Equity Shares of Rs. 10/- each, of Russell Investments Limited, fully paid up	42,75,435	4,27,56,850	42,75,435	4,27,56,850
Equity Shares of Rs. 10/- each, of Minota Aquatech Limited, fully paid up	14,80,000	14,80,000	14,80,000	14,80,000
Equity Shares of Rs. 10/- each, of Classic Infrastructure & Development Limited, fully paid up	37,50,000	3,76,88,280	37,50,000	3,76,88,280
Equity Shares of Rs. 10/- each, of Divya Management Limited, fully paid up	41,82,915	6,93,07,630	—	—
Equity Shares of Rs. 10/- each, of Antrang Finance Limited, fully paid up	43,24,634	4,39,56,071	—	—
OTHER INVESTMENTS				
Class 'G' Shares of Rs. 48,000/- each, of Lotus Court Private Limited, fully paid up	2	2,34,00,000	2	2,34,00,000
Equity Shares of Rs. 100/- each, of Adyar Property Holding Company Limited, Rs. 65/- per share paid up	311	43,86,50,000	311	43,86,50,000
		<u>3,17,49,26,963</u>		<u>1,61,34,04,548</u>
B. QUOTED				
TRADE INVESTMENTS				
Equity Shares of Rs. 10/- each, of International Travel House Limited, fully paid up	36,26,633	21,21,58,031	36,26,633	21,21,58,031
Equity Shares of Rs. 10/- each, of Agro Tech Foods Limited, fully paid up	40,85,800	53,72,82,700	40,85,800	53,72,82,700
Equity Shares of Rs. 10/- each, of VST Industries Limited, fully paid up	22,02,417	36,58,20,092	22,02,417	36,58,20,092
Equity Shares of Rs. 2/- each, of ElH Limited, fully paid up	5,77,92,442	2,00,64,33,539	—	—
Equity Shares of Rs. 2/- each, of Ballarpur Industries Limited, fully paid up	23,00,229	5,58,46,701	—	—
		<u>3,17,75,41,063</u>		<u>1,11,52,60,823</u>
Total (A + B)		<u>6,35,24,68,026</u>		<u>2,72,86,65,371</u>

Market Value of Quoted Investments: Rs. 9,64,44,31,330/- (2007 — Rs. 1,58,91,93,509/-)

SCHEDULES TO THE ACCOUNTS (Contd.)

5. CURRENT ASSETS, LOANS AND ADVANCES

	As at 31st March, 2008		As at 31st March, 2007	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
A. CURRENT ASSETS				
Stock-in-Trade (Schedule 13)	<u>77,20,22,387</u>		<u>4,67,67,76,725</u>	
		<u>77,20,22,387</u>		<u>4,67,67,76,725</u>
Sundry Debtors (Unsecured and Good)				
– Debts outstanding for a period exceeding six months	<u>83,066</u>		<u>4,83,585</u>	
– Others	<u>69,57,523</u>		<u>96,36,625</u>	
		<u>70,40,589</u>		<u>1,01,20,210</u>
Cash and Bank Balances				
Cash in hand	<u>1,222</u>		<u>416</u>	
Balance with Scheduled Banks				
– In Current Accounts	<u>41,97,121</u>		<u>29,70,133</u>	
		<u>41,98,343</u>		<u>29,70,549</u>
Other Current Assets (Unsecured – Considered Good)				
Deposits	<u>23,500</u>		<u>23,500</u>	
Interest Receivable	<u>2,52,174</u>		<u>—</u>	
		<u>2,75,674</u>		<u>23,500</u>
	<u>78,35,36,993</u>		<u>4,68,98,90,984</u>	
B. LOANS AND ADVANCES (Secured – Considered Good)				
Loans to Others (secured by mortgage of immovable property and hypothecation of moveables & receivables)		<u>2,34,32,000</u>		<u>—</u>
(Unsecured – Considered Good)				
Loans to Subsidiaries	<u>13,83,48,750</u>		<u>—</u>	
Advances recoverable in cash or kind or for value to be received	<u>17,24,372</u>		<u>3,60,839</u>	
Advance Payment of Tax				
– Income Tax	<u>23,83,29,198</u>		<u>40,88,58,479</u>	
– MAT Credit Entitlement	<u>4,90,00,000</u>		<u>—</u>	
– Fringe Benefit Tax	<u>99,804</u>		<u>23,889</u>	
		<u>42,75,02,124</u>		<u>40,92,43,207</u>
		<u>45,09,34,124</u>		<u>40,92,43,207</u>

6. CURRENT LIABILITIES AND PROVISIONS

	As at 31st March, 2008	As at 31st March, 2007
	(Rs.)	(Rs.)
A. CURRENT LIABILITIES		
Sundry Creditors		
– Total Outstanding dues of Creditors other than Micro, Small and Medium Enterprises	<u>—</u>	<u>—</u>
– Others	<u>50,47,636</u>	<u>8,40,865</u>
Other Liabilities	<u>56,62,554</u>	<u>41,62,534</u>
	<u>1,07,10,190</u>	<u>50,03,399</u>
B. PROVISIONS		
Provision for Long Term Employee Benefits	<u>18,54,379</u>	<u>9,56,977</u>
Provision for Tax		
– Income Tax	<u>26,25,99,900</u>	<u>38,18,99,083</u>
– Fringe Benefit Tax	<u>87,640</u>	<u>18,208</u>
	<u>26,45,41,919</u>	<u>38,28,74,268</u>
	<u>27,52,52,109</u>	<u>38,78,77,667</u>
7. PROFIT/ (LOSS) ON SALE OF STOCK-IN-TRADE (NET)		
Sales	<u>14,82,22,83,825</u>	<u>24,22,13,53,158</u>
Less: Purchases	<u>10,91,38,93,659</u>	<u>24,99,30,01,823</u>
	<u>3,90,83,90,166</u>	<u>(77,16,48,665)</u>
Add/Less: Increase/ (Decrease) in Closing Stock-in-Trade	<u>(3,90,47,54,333)</u>	<u>77,59,79,690</u>
Profit on Sale of Stock-in-Trade	<u>36,35,833</u>	<u>43,31,025</u>

8. OTHER INCOME

	For the year ended 31st March, 2008	For the year ended 31st March, 2007
	(Rs.)	(Rs.)
Foreign Exchange Gain	<u>25,48,431</u>	<u>—</u>
Interest on Income Tax	<u>2,34,76,723</u>	<u>—</u>
Miscellaneous Income	<u>61,63,881</u>	<u>29,90,273</u>
	<u>3,21,89,035</u>	<u>29,90,273</u>

9. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

	For the year ended 31st March, 2008	For the year ended 31st March, 2007
	(Rs.)	(Rs.)
Salaries and Wages	<u>93,95,468</u>	<u>23,01,615</u>
Contribution to Provident and Other Funds	<u>3,78,714</u>	<u>—</u>
Staff Welfare Expenses	<u>2,64,939</u>	<u>28,373</u>
	<u>1,00,39,121</u>	<u>23,29,988</u>

10. FINANCIAL CHARGES AND OPERATING EXPENSES

	For the year ended 31st March, 2008	For the year ended 31st March, 2007
	(Rs.)	(Rs.)
Interest on Income Tax	<u>74,09,393</u>	<u>1,819</u>
Bank, Custodial and Depository Charges	<u>71,192</u>	<u>16,130</u>
Professional and Legal Fees	<u>58,83,161</u>	<u>2,26,612</u>
	<u>1,33,63,746</u>	<u>2,44,561</u>

SCHEDULES TO THE ACCOUNTS (Contd.)

11. ESTABLISHMENT AND OTHER EXPENSES

	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
Rent	3,90,533	38,940
Repairs and Maintenance	4,88,894	4,21,055
Travelling and Conveyance	2,77,616	82,064
Rates and Taxes	59,532	25,980
Auditors' Remuneration (Including Service Tax)		
– Audit Fees	1,12,360	1,12,360
– Other Services	—	89,792
– Reimbursement of Out of Pocket Expenses	—	4,674
Communication Expenses	71,078	35,486
Printing, Stationery and Periodicals	1,62,125	84,467
Miscellaneous Expenses	4,13,549	1,62,931
	<u>19,75,687</u>	<u>10,57,749</u>

12. PROVISION FOR TAXATION

	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
Income Tax for the year		
Current Tax	7,50,00,000	6,00,00,000
Less: MAT Credit Entitlement	4,90,00,000	—
Net Current Tax Liability	2,60,00,000	6,00,00,000
Deferred Tax	(6,73,212)	2,57,552
Fringe Benefit Tax	30,200	11,608
	<u>2,53,56,988</u>	<u>6,02,69,160</u>
Less: Adjustments related for previous years		
Current Tax	1,53,61,620	—
	<u>99,95,368</u>	<u>6,02,69,160</u>

13. STOCK-IN-TRADE (at lower of cost and fair value)

PARTICULARS	As at 31st March, 2008		As at 31st March, 2007	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Equity Shares of Rs. 10/- each, fully paid up				
Mark Auto Limited	40,000	1	40,000	1
Patheja Brothers Forgings and Stampings Limited	50,000	1	50,000	1
Jind Textiles Limited	5,00,000	1	5,00,000	1
Taib Capital Corporation Limited	2,45,000	1	2,45,000	1
Sub - Total		<u>4</u>		<u>4</u>
Units of Rs.10/- each, fully paid up				
ABN Amro FTP Series 4, Quarterly Plan B	—	—	2,50,00,000	25,00,00,000
Birla Bond Plus – Institutional Fortnightly Dividend – Reinvestment	—	—	2,69,55,238	28,11,00,000
DSP Merrill Lynch Liquid Plus – Institutional Plan – Daily Dividend	—	—	2,49,950	25,00,00,000
DWS Fixed Term Fund Series 23 – Dividend Option	—	—	2,50,00,000	25,00,00,000
GSSSIF – Short Term Monthly Dividend	—	—	2,98,96,478	30,26,16,787
HDFC Cash Management Saving Plan Daily Dividend	—	—	2,25,80,894	24,01,79,422
HDFC FMP 90D March 2007 – Wholesale Plan Dividend Pay Out	—	—	2,50,00,000	25,00,00,000
HSBC Cash Fund – Institutional Plus – Daily Dividend	—	—	1,20,90,550	12,09,73,210
HSBC Liquid Plus – Institutional Plus Plan Daily Dividend	—	—	2,49,76,678	25,00,81,487
Kotak Flexi Debt Scheme – Daily Dividend	—	—	2,49,22,491	25,00,00,000
Principal Cash Management Fund Liquid Option IP Prem Dividend Reinvestment Daily	—	—	4,86,82,534	48,68,59,414
Principal Floating Rate Fund FMP Institutional Option Dividend Reinvestment Daily	—	—	1,49,92,504	15,00,00,000
Principal Income Fund Short Term Plan Institutional Plan Dividend Reinvestment Weekly	—	—	92,30,372	10,00,00,000
Principal Income Fund Short Term Plan Institutional Plan Dividend Reinvestment Quarterly	—	—	2,22,79,654	25,00,00,000
Prudential ICICI Institutional Liquid Plan – Super Institutional Daily Dividend	—	—	2,42,40,514	24,24,05,142
Prudential ICICI Institutional Short Term Plan Fortnightly	—	—	1,36,10,901	15,04,43,759
Prudential ICICI FMP Series 37	—	—	2,50,00,000	25,00,00,000
Sundaram Chartered Maturity Plan Quarterly Series 5 – Dividend	—	—	2,52,11,750	25,21,17,500
Standard FTP 90 Days	—	—	2,50,00,000	25,00,00,000
UTI FMP YFMP	—	—	1,00,00,000	10,00,00,000
Kotak Liquid (Institutional Premium) – Daily Dividend	37,32,682	4,56,43,605	—	—
Principal Cash Management Liquid Option IP Premium Dividend Reinvestment Daily	2,10,18,893	21,02,03,644	—	—
Pru ICICI Institutional Short Term Plan Dividend Reinvest – Fortnightly	3,62,45,541	40,16,00,595	—	—
TATA Floating Rate Short Term Institutional Plan – Daily Dividend	1,14,51,156	11,45,74,539	—	—
Sub – Total		<u>77,20,22,383</u>		<u>4,67,67,76,721</u>
TOTAL		<u>77,20,22,387</u>		<u>4,67,67,76,725</u>

SCHEDULES TO THE ACCOUNTS (Contd.)

14. NOTES TO ACCOUNTS

- (i) During the year a Scheme of Amalgamation (Scheme), pursuant to the applicable provisions of the Companies Act, 1956, for the amalgamation of the Company's Associate Investment Companies viz. Megatop Financial Services And Leasing Ltd. (MFSLL), Newdeal Finance And Investment Ltd. (NFIL) and Peninsular Investments Ltd. (PIL) {collectively referred to as the amalgamating companies} with the Company with effect from 1st April, 2007 (appointed date) was sanctioned by the Hon'ble High Court of Karnataka at Bangalore, the Hon'ble High Court of Judicature at Madras, the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad and the Hon'ble High Court at Calcutta.
- (ii) The amalgamation has been given effect to in these financial statements in accordance with 'The Pooling of Interest Method' as defined in Accounting Standard 14 – Accounting for Amalgamations (AS-14) and the assets and liabilities of the amalgamating companies have been taken over at book values as at 1st April, 2007. No shares were issued in exchange to effect the amalgamation as the entire share capital of each of the amalgamating companies were held *inter se* by the other amalgamating companies and the Company and such shares stood cancelled on the Scheme coming into effect.
- (iii) The reserves and surplus transferred from the amalgamating companies as on 1st April 2007 and included in these financial statements are as follows:

	MFSLL	NFIL	PIL	TOTAL
General Reserve	6,70,667/-	26,99,594/-	29,25,905/-	62,96,166/-
Special Reserve u/s				
45-IC of the Reserve				
Bank of India Act, 1934	47,78,174/-	93,08,280/-	34,38,916/-	1,75,25,370/-
Profit and Loss Account	91,16,954/-	1,23,16,954/-	6,93,645/-	2,21,27,553/-

2. The excess of the book value of investments in the shares of amalgamating companies held by and between the amalgamating companies and the Company and the paid-up equity share capital of the amalgamating companies amounting to Rs. 5,24,56,542 has been adjusted against General Reserves.
3. Uncalled liability on partly paid up shares: Rs. 10,885/- (2007 – Rs. 10,885/-).
4. Dividend Income includes Rs. 13,91,98,358/- (2007 – Rs. 3,65,96,796/-) from Long Term Trade Investments.
5. Income from Interest is stated gross. The amount of income tax deducted thereon is Nil. (2007 – Rs. 2,51,95,110/-).
6. Claims against the Company not acknowledged as debts: In respect of sales tax: Rs. 54,71,774/- (2007 – Rs. 7,22,731/-).
7. Guarantees and Counter Guarantees outstanding Rs. 3,27,442/- (2007 – Rs. 7,27,422/-).
8. Loans and Advances include:
 - (a) Interest free loans to Subsidiaries. Balance as at the year end are as follows:
 - Technico Pty Limited – Rs. 183,48,750/- (2007 – Nil)
 - Chambal Agritech Limited – Rs. 12,00,00,000/- (2007 – Nil)
 - The Maximum indebtedness during the year:
 - Technico Pty Limited – Rs. 183,48,750/- (2007 – Nil)
 - Chambal Agritech Limited – Rs. 12,00,00,000/- (2007 – Nil)
 - (b) Interest bearing loans to Associates. Balance as at the year end: Nil (2007 – Nil). The maximum indebtedness during the year:
 - (i) Newdeal Finance and Investment Limited – Nil (2007 – Rs. 61,29,50,000/-)
 - (ii) Megatop Financial Services and Leasing Limited – Nil (2007 – Rs. 60,65,25,000/-)
 - (iii) Peninsular Investments Limited – Nil (2007 – Rs. 72,65,50,000/-)
 - (iv) Russell Investments Limited – Rs. 28,00,000/- (2007 – Rs. 2,02,00,000/-)
9. Value of Imports during the year (C.I.F. Basis)
Capital Goods: Rs. 10,01,82,735/- (2007 – Rs. Nil)
10. Expenditure in Foreign Currency during the year (on payment basis)
Other Matters: Rs. 6,03,094/- (2007 – Rs. 3,95,250/-)
11. Earnings per share

	For the year ended 31st March, 2008	For the year ended 31st March, 2007
Profit after Taxation (Rs)	85,70,95,392	29,39,48,492
Weighted average number of Equity Shares outstanding	64,64,78,737	64,64,78,737
Basic and diluted Earnings Per Share in Rupees (Face Value – Rs. 10/- per share).	1.33	0.45

12. Deferred Tax

	Deferred Tax (Asset)/Liability as at 31st March, 2007 (Rs.)	Current Year (Credit)/ Charge (Rs.)	Deferred Tax (Asset)/Liability as at 31st March, 2008 (Rs.)
Deferred Tax Liability			
Difference between net book value and tax written down value	27,41,050	8,28,779	35,69,829
Deferred Tax Assets			
Merger Related Expenses	-	(12,20,818)	(12,20,818)
Provision for Employee Benefits	(3,49,130)	(2,81,173)	(6,30,303)
Deferred Tax Liability – Net	23,91,920	(6,73,212)	17,18,708

13. Transfer to Special Reserve of Rs. 17,14,19,078 (2007 – Rs. 5,87,89,698) has been made in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934.
14. Managerial Remuneration:
 - Salaries – Rs. 3,09,800/- (2007 – Rs. 3,24,000/-)
 - Other Benefits – Rs. 79,100/- (2007 – Rs. 52,280/-)
15. The status of the petition filed by an individual in the High Court at Calcutta, seeking an injunction against the Company's Counter Offer to the shareholders of VST Industries Limited, is outlined in the Report of the Directors.
16. Segment Reporting – The Company operates in a single business segment i.e. Financial Services and single geographical segment.
17. Related Party Disclosures:

a) Relationships:

Holding Company	ITC Limited
Subsidiary Companies	Greenacre Holdings Limited Wimco Limited Pavan Poplar Limited Prag Agro Farm Limited Technico Pty Limited Chambal Agritech Limited Technico ISC Pty Limited Technico Technologies Inc. Technico Asia Holdings Pty Limited Technico Horticulture (Kunming) Co. Ltd. Technico Group America Inc.* (*since dissolved as on 15.03.2008)

w.e.f.
17.08.2007

Other Related Parties with whom the Company had transactions during the year :

Associate Companies	International Travel House Limited Russell Investments Limited Divya Management Limited (w.e.f. 23.11.2007) Antrang Finance Limited (w.e.f. 21.01.2008)
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Key Management Personnel

Mr. K. Vaidyanath	Non-Executive Chairman
Mr. P. Banerjea	Non-Executive Director
Mr. B. B. Chatterjee	Non-Executive Director
Mr. R. Tandon	Non-Executive Director
Mr. S. Dutta	Non-Executive Director
Mr. S. Jain	Manager and Secretary

- b) Disclosure of transactions between the Company and Related Parties and the status of outstanding balances:

Particulars	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
Holding Company		
Intercompany Loan taken	1,26,31,00,000	19,45,00,000
Intercompany Loan Repaid	1,26,31,00,000	19,45,00,000
Lease Rentals Received	37,20,000	30,00,000
Miscellaneous Income	22,90,883	12,60,930
Rent, Repairs and Maintenance	9,62,463	4,59,995
Miscellaneous Expenses	11,236	17,500
Dividend Paid	75,00,00,000	Nil
Balance as at	31st March, 2008 (Rs.)	31st March, 2007 (Rs.)
Holding Company		
Security Deposits Received	12,00,000	12,00,000
Other payables	23,022	1,02,742
Debtors/Receivables	1,16,007	Nil

SCHEDULES TO THE ACCOUNTS (Contd.)

	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
Subsidiary Companies		
Intercorporate Loan given		
Technico Pty Limited	1,83,48,750	Nil
Chambal Agritech Limited	12,00,00,000	Nil
Wimco Limited		
Redemption of Preference Shares	52,00,00,000	Nil
Subscription of Preference Shares	60,00,00,000	Nil
Balance as at	31st March, 2008 (Rs.)	31st March, 2007 (Rs.)
Subsidiary Companies		
Loans Outstanding		
Technico Pty Limited	1,83,48,750	Nil
Chambal Agritech Limited	12,00,00,000	Nil
For the year ended	31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
Associates		
Interest Income		
Newdeal Finance And Investment Limited	Nil	3,52,12,792
Megatop Financial Services And Leasing Limited	Nil	3,57,01,007
Peninsular Investments Limited	Nil	4,12,91,318
Russell Investments Limited	4,603	72,558
Intercorporate Loans Given		
Newdeal Finance And Investment Limited	Nil	66,73,00,000
Megatop Financial Services And Leasing Limited	Nil	65,15,25,000
Peninsular Investments Limited	Nil	74,21,50,000
Russell Investments Limited	28,00,000	2,02,00,000
Intercorporate Loan Repaid		
Newdeal Finance And Investment Limited	Nil	66,73,00,000
Megatop Financial Services And Leasing Limited	Nil	65,15,25,000
Peninsular Investments Limited	Nil	74,21,50,000
Russell Investments Limited	28,00,000	2,02,00,000
Purchase of Investments		
Divya Management Limited	3,66,84,150	Nil
Antrang Finance Limited	3,99,96,340	Nil
Dividend Income		
International Travel House Limited	1,08,79,899	90,66,583
Travelling Expenses		
International Travel House Limited	59,124	10,384
Balances as at	31st March, 2008 (Rs.)	31st March, 2007 (Rs.)
Associates		
Interest Receivable		
Russell Investments Limited	4,603	Nil

18. Employee Benefits:

Liability for Gratuity and Leave Encashment has been actuarially determined and provided for in the books. The following table sets out the status as required by AS-15.

	For the year ended 31st March, 2008		For the year ended 31st March, 2007	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
I. Components of Employer Expenses				
1. Current Service Cost	5,14,588	69,522	31,526	16,367
2. Interest Cost	29,299	25,122	17,668	14,391
3. Expected Return on Plan Assets	Nil	Nil	Nil	Nil
4. Curtailment Cost/(Credit)	Nil	Nil	Nil	Nil
5. Settlement Cost/(Credit)	Nil	Nil	Nil	Nil
6. Past Service Cost	(3,39,088)	(2,99,918)	2,52,406	2,05,580
7. Actuarial Losses/(Gains)	3,60,237	87,091	(36,574)	(2,373)
8. Total expense recognised in the Statement of Profit & Loss Account (in Salaries & Wages - Schedule 9)	5,65,036	(1,18,183)	2,65,026	2,33,965
II. Net Asset/(Liability) recognised in Balance Sheet				
1. Present Value of Defined Benefit Obligation	13,22,680	5,31,699	2,65,026	2,33,965
2. Fair Value of Plan Assets	Nil	Nil	Nil	Nil
3. Status [Surplus/(Deficit)]	(13,22,680)	(5,31,699)	(2,65,026)	(2,33,965)
4. Unrecognised Past Service Cost	Nil	Nil	(2,52,406)	(2,05,580)
5. Net Asset/(Liability) recognised in Balance Sheet	(13,22,680)	(5,31,699)	(5,17,432)	(4,39,545)
III. Change in Defined Benefit Obligations (DBO)				
1. Present Value of DBO at the beginning of period	2,65,026	2,33,965	2,52,406	2,05,580
Add: Amounts pertaining to transferor companies	2,13,068	1,58,999	Nil	Nil
2. Current Service Cost	5,14,588	69,522	31,526	16,367
3. Interest Cost	29,299	25,122	17,668	14,391
4. Curtailment Cost/(Credit)	Nil	Nil	Nil	Nil
5. Settlement Cost/(Credit)	Nil	Nil	Nil	Nil
6. Plan Amendments	Nil	Nil	Nil	Nil
7. Acquisitions	Nil	Nil	Nil	Nil
8. Actuarial (Gains)/Losses	3,60,237	87,091	(36,574)	(2,373)
9. Benefits Paid	(59,538)	(43,000)	Nil	Nil
10. Present Value of DBO at the End of the Period	13,22,680	5,31,699	2,65,026	2,33,965
IV. Actuarial Assumptions				
1. Discount Rate (%) p.a.	7.50	7.50	7.50	7.50

SCHEDULES TO THE ACCOUNTS (Contd.)

19. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2008. This information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.
20. Figures for the previous year have been regrouped/re-arranged wherever necessary.

15. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements are prepared on accrual basis under the historical cost convention.

Fixed Assets

Fixed Assets are stated at cost including any incidental acquisition expenses.

Depreciation

Depreciation is provided on "Straight Line" basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.

Investments

Long Term Investments are stated at cost. However, suitable provisions are considered for permanent diminution, if any, in value of Long Term Investments. Income from Investments is included together with the related tax credit, if any, in the Profit and Loss Account.

Stock-in-Trade

Stock-in-Trade has been valued at cost or at available market quotation or their fair values, whichever is lower, scrip wise, in compliance with the Prudential Norms prescribed by the Reserve Bank of India for Non-Banking Financial Companies.

Foreign Currency Translation

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions.

Foreign Currency Monetary Assets and Monetary Liabilities are restated at the rates ruling at the year end and all exchange gains/losses arising

therefrom are adjusted in the Profit and Loss Account except for those covered by forward contract rates where the gains/losses arising from such restatement are recognised over the period of such contracts.

Borrowing Costs

Borrowing Costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. All other borrowing costs are charged to revenue.

Taxes on Income

Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are not recognised unless there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Employee Benefits

Liability for Gratuity and Leave Encashment schemes in the nature of defined benefit schemes are based on independent actuarial valuation as per requirements of AS-15 on "Employee Benefits".

Actuarial gains and losses are recognised immediately in the Profit and Loss Account as income or expense.

Lease Rentals

Lease Rentals are accounted for on an accrual basis except in case of lessees in default where accrual is guided by Prudential Norms prescribed by the Reserve Bank of India for Non-Banking Financial Companies.

On behalf of the Board

R. Tandon Director

S. Dutta Director

S. Jain Secretary

Kolkata, 15th May, 2008

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(As per Schedule VI, Part IV of the Companies Act, 1956)

I. Registration Details

Registration No. of 1994 State Code

Balance Sheet Date
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital #

Reserves & Surplus

Includes 59,74,04,170 Equity Shares of Rs. 10/- each, fully paid up, and 7,54,22,400 Equity Shares of Rs. 10/- each, partly paid up, issued on Amalgamation.

Secured Loans

Unsecured Loans

Deferred Tax Liability

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Net)*

Total Expenditure

* Includes Other Income

+ - Profit/Loss Before Tax

+ - Profit/Loss After Tax

(Please tick appropriate box + for profit, - for loss)

Earnings Per Share in Rs.

Dividend Rate %

V. Generic Names of Three Principal Services of Company

Item Code No. - Not Applicable

Service Description - Investments

- Lending

- Asset Financing

Audit Committee : Mr. K. Vaidyanath, Chairman, M/s. B. B. Chatterjee, S. Dutta, Members

SCHEDULE TO THE BALANCE SHEET OF A NON BANKING FINANCIAL COMPANY AS AT 31ST MARCH, 2008

[as required in terms of Paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]

Particulars	Amount Outstanding	(Rs. in Lakhs)	Assets Side :	(Rs. in Lakhs)
		Amount Overdue		Amount Outstanding
Liabilities Side :				
(1) Loans and advances availed by the NBFs inclusive of interest accrued thereon but not paid	Nil	Nil	Long Term Investments	
a) Debentures			1. Quoted :	
a) Secured			(i) Shares: (a) Equity	31,775
Unsecured			(b) Preference	Nil
(other than falling within the meaning of public deposits)			(ii) Debentures and Bonds	Nil
b) Deferred Credits			(iii) Units of Mutual Funds	Nil
c) Term Loans			(iv) Government Securities	Nil
d) Inter-corporate loans and borrowing			(v) Others (please specify)	Nil
e) Commercial Paper			2. Unquoted :	
f) Other Loans			(i) Shares: (a) Equity	25,749
			(b) Preference	6,000
Assets Side :	Amount Outstanding		(ii) Debentures and Bonds	Nil
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]		Nil	(iii) Units of Mutual Funds	Nil
(a) Secured		234	(iv) Government Securities	Nil
(b) Unsecured		1,383	(v) Others (please specify)	Nil
(3) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities			(5) Borrower group-wise classification of assets financed as in (2) and (3) above	
(i) Lease Assets including lease-rentals under sundry debtors			Category	Amount Net of Provisions
(a) Financial lease		Nil	1. Related Partners	Secured Unsecured Total
(b) Operating lease		706	(a) Subsidiaries	0 1,383 1,383
(ii) Stock on hire including hire charges under sundry debtors		Nil	(b) Companies in the same group	0 0 0
(a) Assets on hire			(c) Other related parties	0 0 0
(b) Repossessed Assets			2. Other than related parties	234 706 940
(iii) Other loans counting towards EL/HP activities		Nil	Total	234 2,089 2,323
(a) Loans where assets have been repossessed			(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :	
(b) Loans other than (a) above			Category	Market Value/ Break-up or fair value or NAV Book Value (Net of Provisions)
(4) Break-up of Investments :			1. Related Parties	
Current Investments			(a) Subsidiaries	25,177 25,177
1. Quoted :			(b) Companies in the same group	0 0
(i) Shares:(a) Equity		Nil	(c) Other related parties	6,762 4,059
(b) Preference		Nil	2. Other than related	96,255 34,289
(ii) Debentures and Bonds		Nil	Total	1,28,194 63,525
(iii) Units of Mutual Funds		Nil	(7) Other Information	
(iv) Government Securities		Nil	(i) Gross Non-Performing Assets	Nil
(v) Others (please specify)		Nil	(a) Related Parties	
2. Unquoted :			(b) Other than related parties	
(i) Shares:(a) Equity		Nil	(ii) Net Non-Performing Assets	Nil
(b) Preference		Nil	(a) Related Parties	
(ii) Debentures and Bonds		Nil	(b) Other than related parties	
(iii) Units of Mutual Funds		7,720	(iii) Assets acquired in satisfaction of debt	
(iv) Government Securities		Nil		
(v) Others (please specify)		Nil		

STATEMENT REGARDING SUBSIDIARY COMPANIES Pursuant to Section 212(1) and (3) of the Companies Act, 1956

Sl No.	Name of the Subsidiary Company	Number of Shares held by the Company	Extent of Holding	Net aggregate amount of subsidiary's profit / (losses) not dealt with in the Holding Company's Accounts		Net aggregate amount of subsidiary's profit / (losses) dealt with in the Holding Company's Accounts	
				For the Subsidiary's financial year ended 31st March, 2008	For the Subsidiary's financial year ended 31st March, 2007	For the Subsidiary's financial year ended 31st March, 2008	For the Subsidiary's financial year ended 31st March, 2007
1.	Greenacre Holdings Limited	3,30,60,166	100%	1,05,73,629	84,25,279	Nil	Nil
2.	Technico Pty Limited	2,16,25,455	100%	1,19,95,714	Nil	Nil	Nil
3.	Chambal Agritech Limited	3,79,62,800	100%	5,28,47,467	Nil	Nil	Nil
4.	Technico Asia Holdings Pty Limited	2	100%	-	Nil	Nil	Nil
5.	Technico Horticultural (Kunming) Co. Limited	Registered Capital paid US \$ 2.3m	100%	(49,19,446)	Nil	Nil	Nil
6.	Technico ISC Pty Limited	2	100%	-	Nil	Nil	Nil
7.	Technico Technologies Inc.	1	100%	(76,59,560)	Nil	Nil	Nil
8.	Technico Group America Inc. since dissolved as on 15.03.2008	1000	-	-	-	-	-
9.	Wimco Limited	9,12,38,170	96.82%	6,13,49,025	6,47,84,623	Nil	Nil
10.	Pavan Poplar Limited	53,35,061	96.82%	(7,96,606)	(1,89,343)	Nil	Nil
11.	Prag Agro Farm Limited	36,79,369	96.82%	2,56,307	(13,24,697)	Nil	Nil
12.	Wimco Boards Limited	-	-	-	6,69,174	Nil	Nil
13.	Wimco Seedlings Limited	-	-	-	(1,70,90,184)	Nil	Nil

- Notes :
- During the year Wimco Boards Limited and Wimco Seedlings Limited, subsidiaries of Wimco Limited (Wimco) amalgamated with Wimco with effect from 1st April 2007 as per Scheme of Amalgamation as approved by the Hon'ble High Court of Judicature at Bombay on 7th September, 2007. Upon such amalgamation 4,22,30,000 equity shares of Re 1/- each fully paid up of Wimco has been issued in exchange of 41,00,000 0.05% redeemable Cumulative Preference Shares of Rs. 100/- each held by the Company in Wimco Boards Limited. As a result, the shareholding of the Company in Wimco increased from 94.25% to 96.82%.
 - Wimco Limited held 100% of the total subscribed and paid up share capital of Pavan Poplar Limited and Prag Agro Farm Limited.
 - Technico Pty Limited alongwith its subsidiaries became subsidiaries of the Company with effect from August 17, 2007.
 - Technico Pty Limited held 100% of the total subscribed and paid up equity share capital of Chambal Agritech Limited, Technico Asia Holdings Pty Limited, Technico ISC Pty Limited and Technico Technologies Inc. Technico Asia Holdings Pty Limited held 100% of the total subscribed and paid up equity share capital of Technico Horticultural (Kunming) Co. Limited.

On behalf of the Board
R. Tandon Director
S. Dutta Director
S. Jain Secretary

Kolkata, 15th May, 2008